

April 28, 2014

The Honorable Steven L. Beshear
c/o State Capitol
Suite 100
Frankfort, Kentucky 40601

Dear Governor Beshear,

Toyota's North American operations today announced plans to relocate our separate corporate headquarters in Kentucky, California and New York in order to establish a single, shared North American campus in Plano, Texas.

While this means that Toyota's manufacturing headquarters in Erlanger will be moving, our Georgetown manufacturing plant, supplier plants and other Kentucky-based business units will remain in the state. In fact, we are continuing to add good jobs at the Georgetown plant.

Positions at our Erlanger headquarters will be moving to three locations, with about 300 production engineering positions relocating to our plant in Georgetown; about 250 direct procurement positions moving to the Toyota Technical Center in York Township, Michigan, near Ann Arbor; and about 1,000 administrative positions transitioning to Plano. There, we will be joined by our colleagues from Toyota Motor Sales, U.S.A., Inc. and Toyota Financial Services in Torrance, CA and Toyota Motor North America, our corporate operations in New York City.

Bringing Toyota's North American business affiliates together in a geographically central location within the United States will allow us to speed decision making, share best practices and leverage the combined strength of our workforce. This, in turn, will allow us to serve customers better and position the company for sustainable, long-term growth.

Importantly, this transition will not take place in earnest for another two to three years, so our people, our businesses and our communities will have the time needed to ensure a smooth transition.

Although Toyota's Erlanger-based headquarters will eventually move, we know that a continued strong presence in Kentucky is central to Toyota's ongoing success. We want to make clear that Toyota's roots will remain deep in this state, and we plan to maintain a strong presence in Kentucky for decades to come.

First established in Georgetown nearly 30 years ago, we've invested nearly \$5.6 billion here to date. In fact, with 300 jobs moving from Erlanger to Georgetown and 750 new jobs currently being added to the plant to support production of the Lexus ES beginning in 2015, there will be about 8,200 Toyota employees in Kentucky after the move.



Page 2 of 2
The Honorable Steven L. Beshear
April 28, 2014

However, we recognize that the decision to move will affect our people, your constituents. Consistent with our core principle of Respect for People, we are offering industry-leading programs and packages to our people, whether they elect to relocate or not.

We also recognize that this move will have an impact on the Northern Kentucky community. That's one reason why we have pledged a \$10 million philanthropic commitment, over and above our existing commitments, to ensure continued funding for local non-profits and community organizations in California and Kentucky beginning in 2017.

Toyota has been privileged to contribute to the strength of Kentucky's economy for nearly three decades. We want to thank you personally for your leadership and your service to the Commonwealth of Kentucky and for your longstanding support of Toyota.

Sincerely,



James E. Lentz
Chief Executive Officer
Toyota North America

President and Chief Operating Officer
Toyota Motor North America, Inc.

Senior Managing Officer
Toyota Motor Corporation



Osamu Nagata
President and Chief Executive Officer
Toyota Motor Engineering and Manufacturing
North America, Inc.

Senior Vice President
Toyota Motor North America, Inc.

Managing Officer
Toyota Motor Corporation